THE FINANCIAL SITUATION.

Although the upward movement in security prices was not as pronounced last week as it was the week before and toward the end of the week the market declined rather sharply on profit taking, there was still no doubt as to the generally strong tendency of values. A large proportion of the professional trading element did not, of course, like to buy stocks after such a violent advance in the market without any reaction. Nevertheless, it was clear, taking the week as a whole, that the buying power behind the market was superior to that furnished by any effort toward liquidation and that optimism rather than pessimism was the rule among speculators. First and foremost among developments having an immediate bearing upon prices were those relative to ease in the money situation. Call money rates were a little higher at the beginning of the week than they were at the close of the preceding period, but they soon fell again and reached the lowest level that they have touched at any time since the 25 per cent. rate of a fortnight ago, time money rates, however, remaining substantially unchanged. In the foreign markets there appeared to be something like a general clearing away of doubt as to the course of rates during the rest of the year. The Bank of England's weekly report showed that the bank, just as last week, was rapidly enlarging its proportion of cash reserves against liabilities to a figure normal for the time of the year. The bank, it is true, was called upon last week to ship a considerable sum of money to Brazil for the purpose of moving the coffee crop there, and as demands from this source were a little larger than had been looked for and threatened to keep up for some time, they caused a momentary chill in English financial circles. It soon become evident, however, that the Bank of France or at least French bankers were willing to help out in the matter far more readily and in a larger degree than on any other similar occasion recently, so that the Bank of England quickly gained in money sent from France what it lost to South America. The most striking feature of the Bank of England's power of recuperation seems to lie, however, in the fact, to which attention has often been directed in this column, that an amount of new gold varying usually between £300,000 and £700,000 is laid down each week in the open London market from the South African mines. Practically all of this is gathered into the Bank of England's treasury; and so gradually but surely the bank's reserve once more accumulates. The case as it stands seems to be that a 6 per cent. discount rate on the part of the Bank of England may be expected to continue until pretty nearly January 1, but that there is no ground for fears that a higher rate may be necessary.

Locally the most important occurrence of a financial character was the increase in the premium on New York exchange in the interior cities, attesting the truth of the statements made privately by our leading bankers that money was beginning to return here from the interior of the country. Another evidence of this movement was, of course, the substitution of small gains for losses made by the banks each day in their transactions with the Sub-Treasury. As everybody is now aware, losses by the local banks to the Sub-Treasury usually mean in the latter part of the year that our city institutions are making payments of customs dues for the account of interior cities, the interior banks drawing on their balances here for the sums required. The transaction thus is only a method of shipping money to the interior of the country, so that when the local banks begin to gain from the Sub-Treasury proof is afforded that the Western pressure for funds is abating. From a purely speculative point of view great weight also attached to the movements of particular stocks in the market and the vigorous renewal of stories of deals and other operations whose effect it was supposed would be peculiarly favorable to prices in individual instances Heavy buying of the Missouri, Kansas and Texas common and preferred shares was accompanied with a story that James J. Hill or the Great Northern Railway interest was acquiring either an actual or practical control of the Missouri, Kansas and Texas property, the purpose being suggested by the fact, as seemed, that the Harriman or rival railway interest had managed to lay its hands on the Illinois Central Railway Company, thereby obtaining an outlet to the South and the Gulf of Mexico that the Great Northern does not at present have. The strength of the Mexican National and Mexican Central Railway issues was associated with a belief that the Mexican Government was endeavoring to gain a complete ownership of both companies, having in mind a plan of consolidating under Government sway all the important railways in Mexico. Rumors of the establishment of a 10 per cent. dividend rate on Delaware and Hudson stock and of an effort on the part of large stockholding interests in the company to change potential assets of the company into a cash form, as well as revived stories of a separation of the railway and investment holdings of many of the anthracite railroad companies, were responsible for more or less of a boom in many of the hard coal stocks. Speculation busied itself, too, with low priced and usually inactive shares, a buying movement of no small force seeming to occupy itself with Rock Island common. The market, however, though strong, was irregular. Realizing sales appeared to be plentiful in St. Paul common stock after its twenty point rise in price, and there was considerable selling of the Great Northern and Northern Pacific preferred shares following the official announcement on Thursday that early in the coming month there would be issued to each holder of the Great Northern Railway preferred shares a certificate on the basis of dollar for dollar representing a beneficial interest of the Great Northern stockholders in a deed of trust executed by the company covering the profit of the lease of ore lands to the United States Steel Corporation. Seeming reason for this selling was that grounds rather more vague than had been hoped for appeared to be afforded for estimating the value of the new certificates thus issued. It was computed that the revenues arising from the ore land lease to the United States Steel Corporation alone were not sufficient to pay a very high rate of interest upon the new certificates and that these revenues would depend, in fact, upon varying conditions in the iron mining industry. Some attention was also paid to the interference with railway traffic by the storms and floods in the West, and it was recalled that railway earnings were now beginning to compare with those of the winter season last year that were abnormally enlarged by reason of an entire absence of drawbacks usually incident to the period.

Yet it is still fair to say that the week's market indicated a desire on the part of people to buy stocks, restrained only or chiefly by timorousness regarding monetary conditions. Undoubtedly the unyielding tone manifested by the time money market modified to a greater or less extent inferences drawn from the softening in the price of call funds, and anxiety seemed to be ever present lest at any time for reasons utterly concealed from the general public another sharp rise in money rates might be experienced similar to that of a couple of weeks ago. It was said that bankers' collections were not as good as they had been and that people who had borrowed money for various definite purposes seemed to be anxious to retain possession of the funds after the idea operative in the original borrowing had ceased to exist. It was pointed out that the window dressing of the Canadian banks in preparation for their annual settlement on November 30 might soon put in an appearance, while drafts on this centre for money with which to move the California fruit crop were in the nature of a seasonable demand for money that many people in Wall Street had forgotten about. Finally, the quickness with which issues of new securities were made immediately upon any sign of ease in the money market emphasized the fact that needs of the railroad companies for money for improvements and new construction were of a sort to absorb in greater or less degree any offerings of money that lenders in the great financial centres might be disposed to make. The feeling prevailed, in other words, that, although speculative holders of stocks for the rise had reason to feel encouraged, the money situation was still such as to justify caution in ventures of this kind. Another difficulty, aside from that of the tightness of the money market, harped upon by all those conversant with the affairs of our great railway and industrial corporations is that pertaining to the supply and the efficiency of labor. Not only is it impossible to get men enough to do the work required to be done, but the character of the work done under the higher wages paid is declared to be far less satisfactory than under different conditions a few years ago. The movement toward increases in wages now so strong among our railway organizations must, it would seem, be a serious matter for the corporations concerned. Demands of this kind that have been granted or are likely to be will entail, as is estimated, a greater expenditure for wages next year for the railway companies alone of between $100,000,000 and $125,000,000; and it is now plain that the small increases in railway net earnings in recent months as compared with increases in gross are not due solely to the expenditure of sums in improvement of the properties charged as operating expenses, but to the higher cost of materials used in railway work.

The time has come at last when there should be some consideration from a broad point of view of the speculation in mining stocks in the outside or curb market in the financial district. Up to a month or so ago it was the prevailing opinion in Wall Street that buying of these stocks had not been such as to interfere with the purchase of standard securities listen on the floor of the Stock Exchange and that the movement was at best a relatively unimportant matter. But it is now unquestionable that public interest in stocks of the class described has become widely extended and is such as to be a large element in current financial affairs. It is clear for one thing that the promoters engaged in exploiting these new mining securities in Wall Street found the time ripe for the business. For a long time back the attitude of the general public toward the stock market proper has been one of coldness, due in some measure, along with various other considerations, to the fact that a large proportion of the active stocks dealt in on the Stock Exchange are high priced, so that trading in them in a tight money market is very expensive. It is only natural under such circumstances for those whose interest in speculation is purely of an aleatory character to abandon dealings on the Stock Exchange for the opportunity of a market in which fluctuations are just as active, if not more so, and chances of profit are seemingly much greater. Despite all this, a word must be spoken here about the dangers of the mining craze, for a craze it has undoubtedly become. It is beyond dispute that rich discoveries of the precious metals have been made in certain districts of Canada and Nevada, but it is also true that in no one of these mines is there yet any certainty whatever as to the depth and permanence of the discoveries of ore that have been made, and that in but a very few of the new mining companies is the management in hands that have attained what may truly be called a wide fame throughout the country as skilful and successful in such matters. It is a characteristic of gold and silver mines—as sharply distinguished, for instance, from copper properties—that the deposits of ore in them are apt to be in "pockets" that become speedily exhausted. The mining history of the country contains records of thousands of ventures of this kind that promised untold riches for a few months or maybe for a year or so, but soon petered out; and even in cases where deposits of relatively lasting character have been found, bad or dishonest management has often wrecked the success of the enterprise. It is not to be inferred that there are no gold or silver mining stocks among the hundred or more now dealt in in Broad street that may not be cheap, as after events may prove, even at their present price; but those buying them should do so with a full and absolute understanding of the hazards they are incurring.

FINANCIAL AND COMMERCIAL.

Sales.		High-est.	Low-est.	Clos-ing.	Net Ch'ge.	1906 High.	1906 Low.
2	Adams Ex 4s	102½	102½	102½		104⅝	102
861	Alb&Sus 3½s	118⅝	113½	117	+3¾	118⅝	105
1	Am Cot O 4½s	94⅞	94⅞	94⅞	− ½	98	94
15	Am Dk & I 5s	112	111¼	111¼	+1	113	111¼
9	Am H & L 6s	90	89½	89½	− ½	100¼	89
2	Am Ice deb 6s	90	90	90	+1	94	86¾
1	AmSpts 1st 6s	103	103	103	+2	104	98
1	Am T & T 4s	91	91	91		95¼	90⅞
10	Am Thread 4s	92	91½	92	+1	92	88½
114	Am Tob 6s	110½	109⅝	110	− ½	117½	109½
104	Am Tob 4s	78⅜	77½	77¼	− ¾	84	76½
6	Ann Ar 1st 4s	93½	93⅛	93⅛	+ ⅛	90	90
843	AT&SF cv 4s	107	106⅛	106½	+ ½	110¼	100¼
152	A T & S F 4s	101	100¾	101		104½	100
4	AT & SF ad 4s	92½	92¼	92¼	− ½	97⅜	91
28	A T & S F ad 4s std	92¾	92¾	92¾		97	91⅜
67	Atl C Line 4s	98	97⅜	98	+ ⅜	102½	97⅛
155	Atl CoastLine col tr 4s	90⅝	90⅛	90⅛	− ⅛	95½	90
58	B & O 4s	101½	101	101½	+ ⅜	105½	100½
17	B & O, P L E & W Va 4s	95⅝	95⅛	95⅝	+ ½	99⅝	94⅞
85	B & O 3½s	94½	93⅞	94⅛	+ ⅛	97¼	92½
43	B&O S-W 3½s	91⅝	91⅛	91⅝	+ ⅛	93	89¾
5	B R T 5s	105¼	105	105¼	+1	109	104½
100	B R T cv 4s	94⅝	94⅛	94⅛	+ ⅛	100	92
30	Bkn U El 1st	108½	107⅛	107⅞	+ ⅞	113¼	105
5	Bkn U Gas 1st	106	105½	106	+ ¾	113½	105
23	Buf Gas 5s	65	63	65		80¾	63
77	Can So 1st	102½	102	102	+ ⅛	103	100½
5	Can So 2d reg	103	103	103	− ¼	105¾	103
13	Cent Ga cn 5s	111	110½	111		114½	109⅛
28	C Ga 3d inc	70⅝	70	70⅝	−2¼	91	70
88	C Leather 5s	98⅝	98	98¼	− ⅜	102	96¾
1	Cent Pac 1st	100	100	100	+ ½	102¾	98½
1	Cent Pac 3½s	86¼	86¼	86¼		89	86¼
7	CRR of NJ 5s	128½	128½	128½		132	125¾
24	C & O 5s	116⅝	116⅛	116¼	+ ¼	119½	116
45	C & O 4½s	106	105½	105⅞	+ ⅜	109	103½
2	C & O R&A 1st	102½	102½	102½		103	100
10	C & Alt 3½s	77⅞	77⅞	77⅞	+ ½	82	76¾
6	C B & Q deb	103	103	103	− ⅛	107	103
401	C B & Q 4s	100¼	96¾	100⅛	+ ¼	101⅞	97
5	C B & Q 4s reg	98⅝	98⅜	98⅝	+ ⅜	101⅝	97⅛
1	C B&Q Neb 4s	102	102	102		107	102
62	C B & Q Ill 4s	103⅝	103½	103½	− ⅛	106¾	101
18	C B&Q Ill 3½s	93⅝	93⅛	93⅞	− ⅛	95¼	91
20	Chi & Erie 1st	117	117	117		122¾	117
3	C M & St P C & P W 5s	112½	112½	112½		115	111½
5	C M & St P C & P 6s	107½	107½	†107½		108½	107½
6	C M & St P S M 6s	107	107	107	+1¾	108¾	105¼

Sales.		High-est.	Low-est.	Clos-ing.	Net Ch'ge.	1906 High.	1906 Low.
1	C M & St P 4s	107⅞	107⅞	107⅞	− ⅜	111	105½
9	C&NW s f deb 5s 1933	115	113½	113½	+2½	117	113
3	C&NW db 1909	102	102	102	+1	104⅞	101
4	C & N W ex 4s	101¾	101¾	101¾	+1⅛	105½	101¾
1	C & N W 3½s	97	97	97	+ ¼	100½	95
70	C R I & P R R gold 5s	92¼	91¾	92⅜	− ⅛	93	88¼
201	CRI & PRR 4s	78	77½	77⅞	+ ⅜	81½	75¼
11	C R I & P Ry 6s reg	118⅞	118⅝	118⅞	+1⅜	119½	117½
82	CRI&P Ry 4s	102½	102	102	− ⅛	103¼	99¾
116	CRI & P rf 4s	93	92⅞	92⅞	+ ⅛	97	92½
1	CStPM&O cn	132½	132½	132½	− ⅜	135½	131
4	Chi Term 4s	99¼	99¼	99¼	+1	101½	98¼
7	Chi Term 4s coupon off	97½	97½	97½	+ ½	100½	96
1	CinIStL&C 4s	100	100	100	+1⅜	103½	99½
6	CCC&StL g 4s	103	102⅞	102⅞	+ ⅜	105¾	100½
74	Col In col tr 5s	76½	75⅝	76⅛	+ ⅜	77	73
8	Col Mid 4s	75	75	75	− ½	79¼	71
55	Col So 4s	92½	92	92		96⅝	91
4	C & H V ex 4s	98¾	98½	98¾	+ ¾	101¼	98½
3	Ct Ry & L 4½s stamped	103½	103½	103½	+ ⅜	103½	100¾
37	Con Gas cv 6s	139	138	139	+1	168¾	137
1	Cons Tob 4s	77½	77½	77½	−1	83¾	77¼
10	Cuban 5s	103⅝	103¼	103¼	+ ⅛	108	101½
650	Del & H cv 4s	112⅞	110	112	+1¾	112⅞	107
5	D & R G 4s	99	99	99		101¼	98½
4	DetCityGas 5s	101½	101½	101½		104	100
5	D & M gold 4s	93	93	93	+1	96¼	90
14	Dis Sec Cor 5s	87½	87	87⅛	+ ⅛	91½	81
2	ETV&G con 5s	116¾	116¾	116¾	+ ⅜	119¾	116
126	Erie cv 4s sr A	104	103¼	103¼	− ¼	109⅞	100¾
1	Erie pr lien 4s	100	100	100		102	99¼
3	Erie-Pa Coal col 4s	91½	91½	91½	+1¼	98	90
10	Erie gn lien 4s	90¾	90⅝	90⅝	+ ⅛	93¼	89½
1	Flt&PereM 6s	114	114	114	+ ½	118	112½
5	FtW & R G 1st	88½	88½	88½	+2½	91	84
2	Gal Har & S A M & P 1st	109	109	109	+ ½	111¾	109
16	Gal H&H 1st	101	100	101	+2½	103	98½
2	G B & W deb A	81½	81½	81½	−5½	92½	81½
104	G B & W deb B	15	12½	14	+1½	23½	11⅜
10	HavElRy cn 5s	92¾	92½	92¾	+ ¾	95¼	92
7	Hock Val 4½s	106⅝	106½	106½	− ½	110	105⅛
2	HockV 4½s rg	103	103	103		108	103
2	H&TexC cn 6s	110⅝	110⅝	110⅝	− ⅛	115	110⅝
7	H&Tex C 1st	111¾	111¼	111¾	+ ⅜	112¼	109½
6	H&TexCen 4s	94¾	94¼	94¼	− ½	99¼	93¼
1	Ill Cen 4s 1953	103	103	103		106½	101⅜
114	ImplJapanese 6s Sterl'n	97⅞	97¼	97⅜	+ ⅛	101½	97
148	ImplJap 6s stl loan 2d ser	97½	97	97	+ ⅛	101¼	96⅞
136	Impl Jap 4½s ster ln cpn	92¾	92½	92¼	+ ⅛	95¼	90½
216	ImpJp 4½s KL & Co ct new	91½	91¼	91⅜	− ⅛	93⅝	89½
89	Imp Jap 4s KL & Co ct st ln	83¼	83	83⅛	+ ⅜	83	82
533	Interboro-Met col tr 4½s	82⅜	81¾	82¼	+ ⅛	90¼	80¼
5	Int & GtN 2d	99¾	99½	99¾	+ ½	102¼	98
5	Int&Gt Nor 3d	77½	77½	77½	+ ½	80⅜	73
3	Int Paper 6s	107	106½	106½	− ½	110½	105½
17	Int St Pmp 6s	102	102	102		104⅜	101
1	Ka & Mich 4s	97	97	97		99½	95¼
50	KC FtS & M 4s	82⅜	81⅝	81⅞	+ ⅜	87¾	81
9	KanCity So 3s	71½	71	71½	+1	75¾	70
1	KingsCo 4s std	90¼	90¼	90¼	− ⅜	96¼	89
9	Lack Steel 5s	102⅜	102	102⅜		108½	102
2	LacledeGas 5s	104⅛	104⅛	104⅛	+ ⅜	108½	103
1	L Erie & W 1st	116	116	116	+ ⅜	119	114
62	L S & M S 4s	100	99	99½	+ ⅛	101⅜	98⅛

Sales.	Bonds.	High-est.	Low-est.	Clos-ing.	Net Ch'ge.	1906 High.	1906 Low.
2	L S & M S 3½s	96	96	96		100¾	95
11	Leh & W 4½s	101¼	101	101¼	+ ⅜	102⅛	100
4	Long Dock 6s	129	129	129	−1½	135½	129
4	L Isl N Sh 5s	109	109	109		109	109
1	L Isl un 4s	96	96	96	+ ⅛	101¾	95⅞
1	L & N gin 6s	117½	117½	117½	+ ¼	120¼	114½
23	L & N 4s	101⅝	101⅝	101⅝	− ⅜	104¼	100
23	L & N col tr 4s	97½	97¼	97½	+ ½	100⅛	96⅛
10	L& N So-Mon col 4s	93¾	93¾	93¾	−1¼	97½	93¾
4	Manhattan 4s	101	100¼	100¼	+ ⅛	103¾	99½
2	Met El 1st	103⅞	103⅞	103⅞	− ⅛	106	102⅜
5	Met St R rf 4s	83¾	83¾	83¾	− ¾	92	83

Continued on Thirteenth Page.